

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE
REGULATORY AUTH.

IN RE:

PETITION OF UNITED CITIES GAS
COMPANY FOR APPROVAL OF A
TRANSPORTATION GAS SERVICE
AGREEMENT WITH MOUNTAIN HOME
ENERGY CENTER, LLC

01 APR 12 PM 4 36

OFFICE OF THE
EXECUTIVE SECRETARY
Docket No. 01-00138

PETITIONER'S RESPONSE TO TENNESSEE REGULATORY AUTHORITY
DATA REQUEST NO. 2

Comes now the Petitioner, United Cities Gas Company, and submits this response to TRA Data Request No. 2 dated March 27, 2001.

1. What is the "stranded cost" that the ratepayers would have to absorb if ESG should bypass.

RESPONSE: There would be a reduction in profitability stemming from the under utilization of the 6 inch steel main and the 4 inch service line that currently serves the customer.

2. Provide all information concerning the threatened bypass by ESG. Include quotes, proposals, permits obtained, etc. How eminent [sic] was the bypass?

RESPONSE: Bypass by ESG was a very imminent threat due to the large volumes of gas ESG would require, the close proximity of ESG to the connecting pipeline, and ESG's knowledge and experience, through its parent gas companies, with gas distribution systems. Attached as Exhibit A is the information concerning the threatened bypass by ESG.

Respectfully submitted,

BAKER, DONELSON,
BEARMAN & CALDWELL
A Professional Corporation

By: Joe A. Conner by Jennifer
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Gas Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed, postage prepaid, to the following parties of record, this 12th day of April, 2001.

Richard Collier
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Nashville, TN 37243

By: Jennifer Singu Cook

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CONFIDENTIAL DOCUMENTS

FILED UNDER SEAL